

Message Text

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DRAFTED BY TREASURY:TWAHL-NEA/ARP:FMDICKMAN:SKG

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FM SECSTATE WASHDC

TO AMEMBASSY KUWAIT NIACT IMMEDIATE

C O N F I D E N T I A L STATE 042819

E.O. 11652: GDS

TAGS: EFIN, PFOR, KU, US

SUBJECT: SECRETARY SIMON'S REPLY TO MINISTER ATEEQI'S
LETTER

REF: (A) KUWAIT 0359 (B) KUWAIT 0358

1. TREASURY SECRETARY SIMON SIGNED ON FEBRUARY 21 LETTER
IN REPLY TO MINISTER ATEEQI'S LETTER TRANSMITTED REF A
REGARDING RECENT WASHINGTON POST ARTICLE ON KUWAIT DEPOSIT
IN MAJOR U.S. BANK. SIGNED ORIGINAL BEING POUCHED.

2. IN ORDER TO BE RESPONSIVE TO ATEEQI WISH FOR PUBLIC
STATEMENTS RE KUWAIT'S RECORD AS A RESPONSIBLE INVESTOR
(REF B), TREASURY ASSISTANT SECRETARY PARSKY PLANS TO RE-
LEASE TEXT OF SECRETARY SIMON'S LETTER ON MONDAY AFTERNOON
(FEBRUARY 23) IN COURSE OF MEETING WITH PRESS WHERE NUMBER
OF FINANCIAL ISSUES WILL BE DISCUSSED.

3. EMBASSY SHOULD IMMEDIATELY CONVEY TEXT OF SECRETARY
SIMON'S LETTER TO MINISTER ATEEQI AND INFORM HIM OF
TREASURY'S PLANS TO RELEASE TEXT OF LETTER TO PUBLIC ON
FEB 23. FOLLOWING IS TEXT OF LETTER:

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4. BEGIN TEXT: DEAR MR. MINISTER:

THANK YOU VERY MUCH FOR YOUR LETTER RELATING TO THE PUBLIC DISCLOSURE IN A WASHINGTON NEWSPAPER OF YOUR GOVERNMENT'S ASSOCIATION WITH THE FIRST NATIONAL CITY BANK OF NEW YORK AND THE AMOUNT OF YOUR DEPOSITS WITH THAT BANK. I SHARE YOUR GRAVE CONCERN OVER THIS DISCLOSURE.

YOUR GOVERNMENT HAS BEEN A MOST RESPONSIBLE AND WELCOME INVESTOR IN THIS COUNTRY FOR MANY YEARS. YOU AND I HAVE DISCUSSED INVESTMENT MATTERS OFTEN, AND YOUR COUNTRY HAS ALWAYS TAKEN GREAT CARE TO ABIDE BY ALL OUR LAWS AND REGULATIONS.

AT THE SAME TIME, YOU HAVE STRESSED THE NEED FOR TREATING CERTAIN INFORMATION RELATING TO YOUR INVESTMENTS CONFIDENTIALLY AND I AGREE WITH YOU. THE AFFAIRS OF INDIVIDUAL CUSTOMERS OF U.S. BANKS SHOULD NOT APPEAR IN THE NATIONAL PRESS, NO MATTER WHO THOSE CUSTOMERS ARE OR WHAT THE VOLUME OF THEIR BUSINESS. SUCH DISCLOSURE IS A CLEAR VIOLATION OF BANKING CONFIDENCE AND THE LEGAL TERMS OF THE BANK-CUSTOMER RELATIONSHIP, AND IS TOTALLY UNAUTHORIZED. OUR DEPARTMENT OF JUSTICE IS CURRENTLY INVESTIGATING THIS PARTICULAR DISCLOSURE WITH THE ASSISTANCE OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY.

I HAVE FULL CONFIDENCE THAT YOUR GOVERNMENT WILL CONTINUE TO BE A RESPONSIBLE AND LAW-ABIDING INVESTOR THROUGHOUT THE WORLD, AND WE WELCOME YOUR INVESTMENTS HERE AS BEING IN THE NATIONAL INTEREST OF BOTH NATIONS. I TRUST THAT THIS UNFORTUNATE INCIDENT WILL NOT IMPAIR OUR LONG-STANDING CLOSE RELATIONSHIP. VERY BEST REGARDS, SINCERELY
YOURS, WILLIAM E. SIMON END TEXT MAW

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